

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**June 23, 2015**  
**AGENDA**

1. Call meeting to order
2. Approval of Minutes from the TSSBA meeting of May 26, 2015
3. Approval of Projects for:

**The Tennessee Board of Regents**

- Austin Peay State University – Sevier Hall HVAC Replacement; Cost: \$2,410,000 all of which will be funded by TSSBA; Term of Financing: 10 years as short-term financing

**The University of Tennessee**

- University of Tennessee, Knoxville – Lake Avenue Parking Garage; Cost: \$22,300,000 of which \$21,300,000 will be funded by TSSBA; Term of Financing: 30 years as long-term financing

4. Adjourn

**TENNESSEE STATE SCHOOL BOND AUTHORITY**  
**MAY 26, 2015**

The Tennessee State School Bond Authority ("TSSBA" or the "Authority") met on Tuesday, May 26, 2015, at 1:20 p.m., in the Executive Conference Room, Ground Floor, Tennessee State Capitol, Nashville, Tennessee.

The following members were present:

Honorable Justin Wilson, Comptroller  
Honorable Tre Hargett, Secretary of State of Tennessee  
Honorable David Lillard, State Treasurer  
Angela Scott, proxy for Larry Martin, Commissioner of Finance and Administration  
Chancellor John Morgan, Tennessee Board of Regents  
Robbi Stivers, proxy for Dr. Joe DiPietro, President, University of Tennessee

Recognizing a physical quorum present, Mr. Wilson called the meeting to order and asked for a motion to approve the minutes of the meeting held on February 26, 2015. Mr. Hargett moved approval of the minutes. Mr. Morgan seconded the motion, and the minutes were unanimously approved.

Mr. Wilson stated that the next item on the agenda was the consideration and approval of the projects for the Tennessee Board of Regents. Mr. Wilson stated that both projects would be presented together. Mr. Wilson recognized Mr. Dick Tracy, Executive Director, Facilities Development, who presented the following projects for consideration for the Tennessee Board of Regents:

- East Tennessee State University – New Football Stadium (350); Cost: \$16,800,000 of which \$14,400,000 will be funded by TSSBA; Term of Financing: 30 years as long-term financing
- Austin Peay State University - Property Acquisition (729); Increase in Cost of \$5,300,000 for a total funding of \$7,000,000 to be funded by TSSBA; Term of Financing: 5 years as short-term financing

Mr. Hargett moved approval of the projects. Mr. Stivers seconded the motion, and it was unanimously approved.

Mr. Wilson stated that the next item on the agenda was the consideration and approval of a project for the University of Tennessee. Mr. Wilson recognized Mr. Stivers, who presented the following project for consideration for the University of Tennessee:

- University of Tennessee, Chattanooga – West Campus Housing (A80); Cost: \$80,000,000 of which \$74,088,000 will be funded by TSSBA; Term of Financing: 30 years as long-term financing

Mr. Hargett noted that the school was pledging Student Transportation fees to cover a portion of the debt service on this project. He inquired about this fee, noting that the application showed that this was a \$4 per credit hour fee. Mr. Stivers noted that this fee allowed students to use the on-campus bus transportation system. Mr. Hargett asked what percentage of students utilize the UT transportation system. Mr. Stivers stated that he did not have that information, but that he would get the answer to that question and provide it to the Authority.

Mr. Morgan moved approval of the project. Mr. Wilson seconded the motion and it was unanimously approved.

Mr. Wilson called upon Sandi Thompson, Director of the Office of State and Local Finance, to report on the recent sale of the 2015 Series A (Taxable) and Series B bonds. Ms. Thompson stated there was a

copy of the report in the meeting packets. Ms. Thompson stated the par amount of the bonds totaled \$464,165,000 making it the largest bond sale for the Authority to date. Ms. Thompson noted that the final maturity for both series was November 1, 2045. She added that the true interest cost was 2.85% for the 2015 Series A bonds and 3.39% for the 2015 Series B bonds. She explained that the lower cost on the taxable was a result of the predominantly shorter maturities in Series A. She stated that the average underwriters' discount was 48 cents and 49 cents on the Series A and Series B bonds, respectively. Ms. Thompson then called attention to the savings on the bonds, stating that the total present value savings was \$3,486,421.71 or 8.60% of refunded par for the Series A bonds and and \$9,435,510.93 or 7.04% of refunded par for the Series B bonds.

Mr. Wilson stated that the next item on the agenda was the acknowledgment of submission of the Reports on Debt Obligation for the TSSBA's 2015 Series A and B bonds. These reports had been provided to the Authority members. Mr. Wilson noted that statute required that the report be submitted to the Authority.

Mr. Wilson then briefly discussed a recommendation that the Authority should consider issuing a Request for Proposal ("RFP") for Bond Counsel. Mr. Wilson recommended that the timeframe for sending out the RFP should coincide with the State Funding Board's issuance of an RFP for bond counsel, which he suggested could be sent in the late fall.

Mr. Wilson asked if there was other business to be presented to the Authority. Hearing none, he adjourned the meeting.

Approved on this \_\_\_\_ day of \_\_\_\_\_, 2015

Respectfully submitted,

Sandra Thompson  
Assistant Secretary

# Tennessee State School Bond Authority Feasibility Study

TSSBA Sewer Hall WACF Feasibility Project Number 738

## Individual Project Summary

Revenue Source:	Annual Housing Rental Revenues	\$	400,000.00
	<b>Total Revenue Source:</b>	<b>\$</b>	<b>400,000.00</b>
Assumptions:	TSSBA Funding Requested	\$	2,410,000.00
	Interest Rate		2.25%
	Term of Financing		10

Feasibility Test	
	<u>Annual</u> Short-Term Pmt
Pledged Revenue	\$400,000
New Max-Semi Annual DS	\$271,818
<b>Feasible</b>	<b>Yes</b>

\*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges.



# Tennessee Board of Regents

1415 Murfreesboro Road – Suite 664 – Nashville, Tennessee 37217-2833  
(615) 366-4431 FAX (615) 366-3992

April 13, 2015

Ms. Sandi Thompson, Director  
Office of State and Local Finance  
James K. Polk Building, 16<sup>th</sup> Floor  
Nashville, TN 37243

RE: Austin Peay State University (APSU)  
Sevier Hall HVAC Replacement

Ms. Thompson:

We are requesting \$2,410,000 bond financing for 10 years for the Austin Peay State University Sevier Hall HVAC Replacement project. The total estimated project cost is \$2,410,000. We will be presenting this project at the June 11, 2015 SBC Meeting.

The project scope is replace the HVAC system in Sevier Hall. The annual bond financing will be repaid with student housing rents. The project application and attached pro forma are attached.

Your review and consideration of this request will be appreciated. Please advise if you have any questions.

Sincerely,

Dick J. Tracy  
Executive Director  
Office of Facilities Development

Enclosures

c: Russ Deaton w/encls.  
Tim Hurst

Austin Peay State University – East Tennessee State University – Middle Tennessee State University – Tennessee State University  
Tennessee Tech University – University of Memphis – Chattanooga State Community College – Cleveland State Community College  
Columbia State Community College – Dyersburg State Community College – Jackson State Community College  
Motlow State Community College – Nashville State Community College – Northeast State Community College  
Pellissippi State Community College – Roane State Community College – Southwest Tennessee Community College  
Volunteer State Community College – Walters State Community College – The Tennessee Technology Centers

An Equal Opportunity/Affirmative Action Employer

**Tennessee State School Bond Authority  
Project Application**

**DEPARTMENT:** Tennessee Board of Regents

**INSTITUTION/LOCATION:** Austin Peay State University, Clarksville, Tennessee

**PROJECT :** Sevier Hall HVAC Replacement

**SBC PROJECT #:** \_\_\_\_\_

**PROJECT BUDGET: \$2,410,000**

<b>Funding Sources:</b>	<u>TSSBA</u>	<u>\$2,410,000.00</u>
	<u>Other:</u>	_____
	_____	_____
	<b>Total</b>	<b><u>\$2,410,000</u></b>

**PROJECT REVENUES:** (Describe sources and projected levels)

Annual housing rental revenues in the amount of \$400,000

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

**PROJECT LIFE:**

Anticipated Useful Life of Project: 30 years

Desired Term for Financing (if less than useful life): 10 years

**ESTIMATED ANNUAL FINANCING CHARGE:** \$387,262.00

**PROJECT APPROVAL DATES:**

<b>BOARD:</b>	<u>03/27/2015</u>
<b>THEC:</b>	<u>04/23/2015</u>
<b>SBC:</b>	<u>06/11/2015</u>

Disclosed in the Governor's Budget: X Yes      No If yes, what year? 2015/2016

Replace HVAC system.

Owner of real property Tennessee Board of Regents

To be acquired

To be leased or other arrangement

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building 47,085 (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage N/A 30 / 30  
Operator Tennessee Blind Services / PepsiCo  
Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? no no

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage N/A  
Type \_\_\_\_\_  
Operator \_\_\_\_\_

C. Pay Telephones:

Square Footage N/A

D. Laundry Services:

Square Footage N/A 430  
Operator Caldwell + Gregory  
Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? no

E. Cafeteria or other food services areas:

Square Footage N/A  
Operator \_\_\_\_\_

F. Provision of health care services:

Square Footage N/A  
Operator \_\_\_\_\_

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage N/A  
Recipient \_\_\_\_\_

H. Office space utilized by or on behalf of private entities:

Square Footage N/A



Occupant \_\_\_\_\_

I. Provision of housing for persons or entities other than enrolled students:

Square Footage N/A

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

N/A

9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: No

10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.

N/A

11. Additional information not explained above. \_\_\_\_\_

Completed this \_\_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_.

\_\_\_\_\_  
John G. Morgan  
Chancellor

  
\_\_\_\_\_  
Dick Tracy, Executive Director  
Office of Facilities Development

\_\_\_\_\_  
Dale Sims, Vice Chancellor for  
Business & Finance

*To be filled out by the Authority*

BOND COUNSEL APPROVAL:      DATE

GOOD

5%

10%

**Project Request****SBC1**

**1** Department: **Tennessee Board of Regents** Submitting  
 Project Title: **Sevier Hall HVAC Replacement**  
 Institution: **APSU** 03/24/2015  
 City/County: **Clarksville / Montgomery** SBC No: **166/003-Sevi**

<b>3</b>	<input type="checkbox"/> Capital Outlay		<u>New</u>	<u>Renovation</u>
	<input type="checkbox"/> Capital Maintenance	Gross Sq. Ft.	0	47,085
	<input checked="" type="checkbox"/> Disclosure	Net Sq. Ft.	0	0
	<input checked="" type="checkbox"/> Designer Required	Cost/Sq. Ft.	\$0.00	\$41.73

**4 Project Description**

Replace HVAC system.

<b>5</b>	<b>Total Project</b>	<b>Allocation</b>	
	\$1,965,000.00	\$1,965,000.00	Building Construction
	\$0.00	\$0.00	Site & Utilities
	\$0.00	\$0.00	Built-in Equipment
	<u>\$1,965,000.00</u>	<u>\$1,965,000.00</u>	<b>Bid Target</b>
	\$195,000.00	\$195,000.00	Contingency 9.92% 9.92%
	<u>\$2,160,000.00</u>	<u>\$2,160,000.00</u>	<b>M.A.C.C.</b>
	\$182,275.00	\$182,275.00	Fee 6.0000000 0.0000000 Renovation
	\$0.00	\$0.00	Movable Equipment
	\$50,000.00	\$50,000.00	Commissioning
	\$0.00	\$0.00	
	<u>\$17,725.00</u>	<u>\$17,725.00</u>	Administration & Miscellaneous
	<u>\$2,410,000.00</u>	<u>\$2,410,000.00</u>	<b>Total Cost</b>

**6 Funding**

\$0.00	\$0.00	STATE Funds
\$0.00	\$0.00	FEDERAL Funds
<u>\$2,410,000.00</u>	<u>\$2,410,000.00</u>	TSSBA (rent)
\$2,410,000.00	\$2,410,000.00	

**7 Available Funding Sources**

\$2,410,000.00	TSSBA (rent)
\$0.00	
\$0.00	
\$0.00	
<u>\$0.00</u>	
\$2,410,000.00	

**8 SBC Action**

Date

Action

**9 Designer**

tbd

# Tennessee State School Bond Authority Feasibility Study

## UTK Lake Ave Parking Garage - Project Number A81

### Individual Project Summary

Revenue Source: Parking Fee Revenue \$ 1,840,000

**Total Revenue Source:** \$1,840,000

**Assumptions:**

Project Cost	<u>\$21,300,000</u>
Interest Rate	<u>7.25%</u>
Term of Financing	<u>30-Years</u>
Cost of Issuance	<u>\$319,500</u>
DSRF Earnings Rate	<u>2.25%</u>

Feasibility Test				
	<u>May Principal</u> <u>(with DSRF)</u>	<u>May Principal</u> <u>(No DSRF)</u>	<u>Bifurcated Principal</u> <u>(No DSRF)</u>	<u>November Principal</u> <u>(no DSRF)</u>
Pledged Revenues	\$1,840,000	\$1,840,000	\$1,840,000	\$1,840,000
New Max-Semi Annual DS	\$1,854,441	\$1,725,823	\$884,482	\$1,709,690
Feasible	No	Yes	Yes	Yes

Prepared on June 10, 2015 by Jacqueline Felland

Project Disclosed in Budget

\*TSSBA staff conducts a feasibility test on a project-by-project basis to ensure that each individual project has sufficient revenue pledged to cover the projected maximum annual debt service charged to the project. On an annual basis, and prior to the issuance of long-term debt, an assessment is performed pursuant to Article 2.01 (b) which requires that the aggregate amount of the Fees and Charges collected by an Institution in the preceding Fiscal Year is not less than two times the amount required for the payment of the aggregate of the maximum amount of Annual Financing Charges

**Tennessee State School Bond Authority**  
**UTK Lake Ave Parking Garage Project Application**

**DEPARTMENT:** University of Tennessee

**INSTITUTION/LOCATION:** Knoxville

**SBC PROJECT #:** 540/009-

**PROJECT BUDGET:**

<b>Funding Sources:</b>	<u>TSSBA</u>	<u>\$21,300,000</u>
	<u>Other: Plant Funds Auxiliary -</u>	
	<u>Parking</u>	<u>\$ 1,000,000</u>
		<u>\$</u>
	<b>Total</b>	<b><u>\$22,300,000</u></b>

**PROJECT REVENUES:** (Describe sources and projected levels)

Annual debt service to be funded by parking fee revenue. Parking services is a self-supporting auxiliary  
enterprise, generating revenue paid by faculty, staff, students, and special event parking. Projected calculations are  
as follows: Faculty/Staff 5,000 permits multiplied by \$3/mo projected increase over next 2-3 years equals \$180,000;  
Students 23,000 permits multiplied by \$21.74 projected annual increase over next 2-3 years (average/blended rate  
across all permit types) equals \$500,000; Increase in permits by 2,000 multiplied by \$203 equals \$406,000; Special  
event parking revenue estimated at \$800,000 all equals \$1.89 million. \$1.84 million of this revenue will be  
pledged annually to the repayment of this debt. The \$1 million cash portion of the project will be funded by  
Parking Services reserves.

**PROJECT LIFE:**

Anticipated Useful Life of Project: 30+ years

Desired Term for Financing (if less than useful life): 30 years

**ESTIMATED ANNUAL FINANCING CHARGE:** \$1,835,000

**PROJECT APPROVAL DATES:**

**BOARD:** 10/3/2014

**THEC:** 11/20/2014

**SBC:** 6/11/2015

Disclosed in the Governor's Budget: X Yes      No If yes, what year? 2015

**PROJECT DESCRIPTION:** Physical description, including land, buildings and equipment with approximate dollar value. (If a renovation or repair project, please provide information with respect to the renovated or improved portion as well as the entire structure).

This project will provide approximately 900 – 1,000 parking spaces in a garage located east and adjacent to the existing Lake Avenue garage. This structure would fully occupy the available footprint, require expanding upon or addition to utilities from KUB, and general upgrade of the existing garage.

**REAL ESTATE:**

Owner of real property The University of Tennessee

N/A To be acquired N/A To be leased or other arrangement

\*\*\*\*\*

The purpose of the following questions are to determine the tax status of this project to be financed with the proceeds of Tennessee State School Bond Authority Bonds and/or Bond Anticipation Notes and the amount of private use associated with this project. Private use means the direct or indirect use of the project by any entity other than a state or local government entity, including use by the Federal Government (including its agencies and instrumentalities) or a Section 501(c)(3), (c)(4), or (c)(6) organization. When the project consists of an improvement that does not involve space that is being used directly by governmental or private users (for example, a re-roofing, air conditioning or energy efficiency improvement), all questions involving uses and users of the project should be answered by reference to all portions of the facility or facilities benefited by the improvement.

The questions below relate to the project referenced above. Attach additional sheets as required. **Please make a copy of this document for your files.**

1. Project Status: (If the project has already been completed, and the proceeds are being used to reimburse the department, please so indicate and include date of project completion.) Planning and design
2. Project completion estimated to be: 2018
3. Project Owner: University of Tennessee
4. Project Operator (see also item 8 below): University of Tennessee
5. Intended Use of the Project: Student parking.
6. Intended Users of the Project (excluding use by the general public): Students

7. Indicate whether any of the following activities will take place at the project. Indicate whether the activities are operated by a private entity or will indirectly benefit a private entity. Include all incidental private uses. For each direct or indirect private use of the project, indicate the total amount of space the private use occupies in relation to the entire project. (For example, if an area of vending machines operated by a private contractor occupies 50 square feet of a 5,000 square foot area financed, indicate the relationship in terms of the ratio of square footage used.)

Gross Square Footage of Building \_\_\_\_\_ (See Supporting Data Sheet if more than one building is involved.)

A. Vending Machines:

Square Footage n/a

Operator n/a

Are any vending areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? n/a

B. Wholesalers or retailers (e.g., Newsstand, Book Store, Pharmacy, etc.):

Square Footage n/a

Type n/a

Operator n/a

C. Pay Telephones:

Square Footage n/a

D. Laundry Services:

Square Footage n/a

Operator n/a

Are any laundry service areas separated by walls, night gates, etc. so that they are under the control of the service provider/operator? n/a

E. Cafeteria or other food services areas:

Square Footage n/a

Operator n/a

F. Provision of health care services:

Square Footage n/a

Operator n/a

G. Laboratory research performed on behalf of or for the benefit of a private entity or pursuant to a cooperative research agreement:

Square Footage n/a

Recipient n/a

H. Office space utilized by or on behalf of private entities:

Square Footage n/a  
Occupant n/a

I. Provision of housing for persons or entities other than enrolled students:

Square Footage n/a

8. Attach copies of any management contracts or incentive payment contracts entered into, or to be entered into, in connection with the operation of the project. (Do not include contracts for services that are solely incidental to the primary governmental functions of the facility (for example, contracts for janitorial, office equipment repair or similar services). Indicate the portion of the project to which the contracts relate. Give the usable square feet involved compared to the total usable square feet of the facility being financed. If a contract has not been entered into but is anticipated, indicate that fact.

n/a  
\_\_\_\_\_  
\_\_\_\_\_

9. Will any debt proceeds be used to make or finance loans to any private entity? If so, indicate the amount of such loans, the length and payment terms of such loans: n/a

\_\_\_\_\_

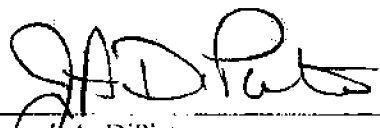
10. Indicate any expected payments (direct or indirect) to be made by non-governmental entities, separately and in the aggregate, to the State or any other governmental entity, with respect to the project.


n/a  
\_\_\_\_\_  
\_\_\_\_\_

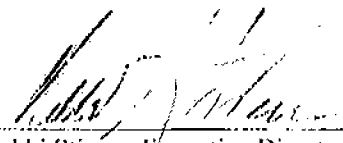
11. Additional information not explained above. n/a

\_\_\_\_\_

Completed this 9th day of June, 2015

  
\_\_\_\_\_  
Joseph A. DiPietro  
President

  
\_\_\_\_\_  
Charles M. Peccolo  
Treasurer, Chief Financial Officer/  
Chief Investment Officer

  
\_\_\_\_\_  
Robbi Stivers, Executive Director  
Office of Capital Projects



*To be filled out by the Authority*

BOND COUNSEL APPROVAL:	DATE	_____
	GOOD	_____
	5%	_____
	10%	_____